

WHAT IS CLAIMED IS:

1 1. A method for conducting a progressive, price-driven,
2 combinatorial auction of items, the method comprising:

3 (a) receiving at a computer site bids for the items being auctioned
4 from a plurality of bidders wherein each of the bids represents at least one bundle
5 of items and at least one associated offer price;

6 (b) calculating an interim allocation of bundles to bidders that
7 maximizes or approximates a total value of winning bids;

8 (c) calculating an interim winning price for each bundle in the
9 initial allocation;

10 (d) transmitting the interim allocation and the interim winning
11 prices to the bidders;

12 (e) receiving upwardly-revised bids from the bidders;

13 (f) calculating a revised, interim allocation of bundles to bidders
14 and a revised, interim winning price for each bundle in the revised, interim
15 allocation based on the revised bids;

16 (g) transmitting the revised, interim allocation and the revised,
17 interim winning prices to the bidders;

18 (h) repeating steps (e) through (g) until a termination criterion is
19 satisfied; and

20 (i) declaring the last revised, interim allocation and the last
21 revised, interim winning prices as an auction result after termination of the bidding
22 process.

1 2. The method as claimed in claim 1 further comprising:

2 determining interim prices for one or more unallocated bundles based
3 on the interim winning prices; and

4 transmitting the interim prices for the one or more unallocated bundles
5 to the bidders.

1 3. The method as claimed in claim 1 wherein the items are
2 products.

7 (a) receive bids for the items being auctioned from a plurality of
8 bidders wherein each of the bids represents at least one bundle
9 of items and at least one associated offer price;
10 (b) calculate an interim allocation of bundles to bidders that
11 maximizes or approximates a total value of winning bids;
12 (c) calculate an interim winning price for each bundle in the
13 initial allocation;

- 14 (d) transmit the interim allocation and the interim winning prices
15 to the bidders;
16 (e) receive upwardly-revised bids from the bidders;
17 (f) calculate a revised, interim allocation of bundles to bidders
18 and a revised, interim winning price for each bundle in the
19 revised, interim allocation based on the revised bids;
20 (g) transmit the revised, interim allocation and the revised,
21 interim winning prices to the bidders;
22 (h) repeat (e) through (g) until a termination criterion is satisfied;
23 and
24 (i) declare the last revised, interim allocation and the last revised,
25 interim winning prices as an auction result after termination
26 of the bidding process.

1 11. The computer system as claimed in claim 10 wherein the
2 server is further programmed to:
3 determine interim prices for one or more unallocated bundles based
4 on the interim winning prices; and
5 transmit the interim prices for the one or more unallocated bundles
6 to the bidders.

1 12. The computer system as claimed in claim 10 wherein the items
2 are products.

1 13. The computer system as claimed in claim 10 wherein the items
2 are services.

1 14. The computer system as claimed in claim 10 wherein the items
2 include at least one product and at least one service.

1 15. The computer system as claimed in claim 10 wherein the
2 computer site is a Web site.

1 16. The computer system as claimed in claim 10 wherein the
2 auction ends a fixed period of time after the auction begins.

1 17. The computer system as claimed in claim 10 wherein the
2 auction ends an undetermined period of time after the auction begins.

1 18. The computer system as claimed in claim 10 wherein the
2 server calculates an interim winning price for each bundle in the interim allocation
3 by constructing an instance of the assignment problem.

A handwritten signature, possibly 'R. J.', is written above the initials 'B2'. A large, sweeping checkmark is drawn to the right of the initials.